House of Commons Debates

FOURTH SESSION—SEVENTH PARLIAMENT

SPEECH

OF

DR. F. W. BORDEN, M.P.

ON

THE BUDGET

OTTAWA, FRIDAY, 6TH APRIL, 1894

Mr. BORDEN. The hon. gentleman began his speech by chiding the hon. member for Queen's (Mr. Davies), for having failed to discuss the question before the House, the Budget brought down by the hon. Finance Minister. I appeal to you, Mr. Speaker, and to this House whether the hon. Minister of Marine has set hon. members who may come after him the good example of having himself followed the course which he said should have been followed by the hon. member for Queen's (Mr. Davies). That hon. gentleman certainly discussed the public questions of the country and those bearing on the tariff and the trade relations of the country fully, so far as they affect us in our relations with other countries. Everybody knows that when the Budget is under discussion the fullest liberty is accorded to every hon. member to discuss the condition of the country and its trade relations with other countries. This is the first time I have ever known a serious question of this kind to be approached with a scrap-book of extracts, cut out from speeches made ten or fifteen years ago, and extracts from partisan newspapers, which it was useless for my hon. friend to contradict, though he did so over and over again, because no sooner would he contradict the truth of an extract than the Minister proceeded to re-read the same extract or to quote another extract from the same paper. The speech of the hon. Minister reminded me of a story. He has treated the House to several stories, and perhaps the House will suffer me also to tell a story which, I think, illustrates the manner of the Minister's speech. Once upon a time, in a country where there was a poor congregation—it could not have been in Canada, it must have been in free trade England, and I think it was—the congregation was in want of a new set of hymn books. The old hymn books were worn out, and an enterprising member of the congregation had somewhere read an advertisement by a vendor of patent medicines, to the effect that he would sup-

ply free hymn books to any congregation provided that he would have an opportunity of inserting here and there an advertisement of his nostrums. The congregation was made happy and adopted the scheme, and on the eve of Christmas Day they were furnished with brand new hymn books, and on the next morning when the service began, the clergyman pointed to them with pride, took up the new hymn book and said it was unnecessary to read the hymn, as it was known to every member of the congregation. The congregation stood up and began to sing, never having examined the books they were to sing from, and this is what they sang :

> Hark the herald angels sing
> Beecham's Pills are just the thing
> Peace on earth and mercy mild
> Two for a man and one for a child

That is very much the style of the speech which the Minister of Marine and Fisheries has delivered to this House to-night ; a speech which I do not think was up to the standard of the hon. gentleman ; a speech which I do not think it was worthy a Minister of the Crown to address to an assemblage of this kind, engaged with a serious, sober question such as that of the tariff which this country has to adopt in the future. The hon. Minister alluded to the Liberal party as a disappointed party. He could not have looked amongst his own followers when he said that, for it has occurred to me, during the past eight days, that disappointment has not been on this side of the House, but amongst those on the Government benches. What about these hon. gentlemen opposite who have been declaring during the last eight or ten years, and even up to the last session of Parliament, that the National Policy, that high taxation was the means of reducing the cost of living in this country and of lowering the prices of the commodities used by the people ? What are these hon. gentlemen who have been preaching that doctrine to think, when now the Minister of Finance has taken that argument out of their mouths, by stating, as he did in his Budget speech, that high duties increased the prices of the commodities used by the people ? It occurs to me that there must have been considerable disappointment among hon. gentlemen who have been preaching to this House and to the people of the country on every hustings, the doctrine that high duties created lower prices. The Minister of Marine took exception to the statement made by the hon. member for Queen's (Mr. Davies) with reference to the population of Dakota. The hon. gentleman has succeeded in hunting up a number of speeches made by my hon. friend (Mr. Davies), and, by the way, I have often wondered for what object such a large number of newspapers were taken by the different departments of this Government as I see charged up in the Auditor General's Report. I find now that at any rate, so far as the Minister of Marine is concerned, this country is taxed for such a large amount, to pay subscriptions to newspapers so as to enable him to cut out extracts from the speeches of the hon. member for Queen's (Mr. Davies).

Sir CHARLES HIBBERT TUPPER. You do not seem to like them.

Mr. BORDEN. I enjoy them immensely; nobody could help it. Without these extracts the speech of the Minister would have been nothing. Now, the hon. Minister has said that the member for Queen's (Mr. Davies) misstated the population of Dakota, and that he said it was one and a half millions when it was only a half million. Well, Sir, I am informed that the figures given by the hon. member (Mr. Davies) were taken from a newspaper estimate which had been made of the population—because the statement was made prior to the census of 1890—at a time when people were going into the Dakotas very rapidly and the population was filling up very fast. The estimate given by the hon. member was what was set down in the newspaper.

Sir CHARLES HIBBERT TUPPER. It was incorrect.

Mr. BORDEN. It was incorrect. It occurs to me that my hon. friend the Minister ought not to be too strict in charging against hon. members on this side of the House a little inaccuracy of that kind. I remember a time in this House when an hon. member made some statements of what was going to happen in this country—not a statement with reference to Dakota—but as to what would happen in the North-west, and he fixed the date and year that certain wonderful things would come to pass. I find that Sir Charles Tupper, when a member of this House, in discussing the North-west, said :

> When I remind the House that the land alone, according to the authority of the right hon. Minister of the Interior.

The Minister of the Interior was in it too. It was not simply Sir Charles Tupper, but Sir John Macdonald also.

Sir CHARLES HIBBERT TUPPER. Let me point out to the hon. gentleman that one statement was in favour of Canada ; it was unfortunately incorrect ; the other was an estimate which was incorrect, and it was against Canada.

Mr. BORDEN. Then it is no harm to tell a fib if it is in favour of Canada.

Sir CHARLES HIBBERT TUPPER. I did not say that.

Mr. BORDEN Sir Charles Tupper then went on to say :—

When I remind the House that the land alone, according to the authority of the Right Hon. Minister of the Interior, upon the calculation which he believes to be sound, within the next ten years will give us $38,000,000 in hand, $32,000,000 to receive on mortgages within the following ten years, or a total sum of $70,000,000, it will be seen that we incur no risk. But suppose the land does not give us that, we have an authority which hon. gentlemen opposite will accept : that the customs revenue from the people who will go into the country for the next ten years will furnish the interest on $60,000,000. * * * *

I am glad the hon. gentleman has done so. I am glad his attention has been drawn to the fact that 100,000 farmers, cultivating 320 acres each, or 200,000 farmers, cultivating half that quantity each, and taking the product at only 20 bushels to the acre, instead of 27 or 30, which is the average in the North-west in favourable years, would give 640,000,000 bushels of wheat, or 50 per cent more wheat than the whole United States produces to-day. You have only to look at those figures for a single moment to see what the future of Canada is, to see what a magnificent granary for the world is placed in our Canadian North-west, and when you remember we have six belts running through that fertile country that would each give 320 acres each to 100,000 farmers, you can understand to some little degree what a magnificent future awaits us in the development of that great country.

Now I think that my hon. friend the Minister of Marine ought to be a little kind to the hon. gentleman from Prince Edward Island if he happens to make a mistake of half a million or so in quoting an estimate of the population of some foreign country.

Mr. LANDERKIN. That was only an euphemism of the Minister.

Mr. BORDEN. Now, the hon. gentleman has seen fit to charge the Liberal party with inconsistency in their policy. It is fashionable among hon. gentlemen opposite to charge this party with having no policy ; but I fancy that that charge will scarcely be made again, because it is owing to the fact that the Liberal party of Canada have a policy, and that that policy is commending itself to the people of Canada, that we are here to-day to consider the resolutions which the hon. Minister of Finance has been forced to bring down in deference to the public opinion which has been created by the Liberal party. But the hon. gentleman has charged us with inconsistency. He says on one occasion we are in favour of unrestricted reciprocity, on another in favour of commercial union, on another it is a revenue tariff, and on another something else. Well, Sir, I have been a member of this House most of the time for twenty years, and during that time I have followed very closely the debates in this Chamber and have read very carefully the statements of public men with reference to the policies of the two parties, and I do not think it lies in the mouths of hon. gentlemen opposite to charge the Liberal party of Canada with inconsistency or with any material variation in their policy from the time they became a party since confederation down to the present moment. What was the position of the Liberal party in 1874 ? Its policy then was its policy of to-day—that the taxation of the people of Canada should be for revenue only, or for revenue chiefly ; that it is wrong to take one dollar of taxes out of the pockets of the people more than is required to carry on the government of the country. That has been the main plank in the platform of the Liberal party from 1874 down to the present time. With reference to reciprocity, it was the policy of the Liberal party in 1874 to obtain reciprocity if possible ; and, as the hon. Minister has shown, the late Hon. George Brown was sent to Washington for the purpose of endeavouring to negotiate a treaty of reciprocity. But the hon. gentleman says that the Liberal party have failed, and that after having failed they did not make any further attempt to obtain a reciprocity treaty, but had taken the independent position which the Government are now taking, and which he commends, of trying to build up the trade of Canada independently of trade with the United States. That is true. Nevertheless, efforts were made to obtain that reciprocity, and the hon. Minister and the House must bear in mind that the Hon. George Brown went to Washington at a time when the people of the United States were irritated against the people of Canada in respect of matters which had grown out of the war that had closed only a few years before. That irritation fortunately, has passed away, and an entirely different condition of things exists now, and has existed since the time the first offer of reciprocity was made by the Government now in power—or the pretended offer which was made in 1891. But, I say that the policy of the Liberal party has been mainly revenue tariff, though there have been times when the policy of reciprocity, which was always the policy of the Liberal party, which is their policy to-day, has been put forward more boldly and more prominently than at other times ; and why should that not be so ? In 1888, the hon. member for South Oxford (Sir Richard Cartwright) moved certain resolutions in this House, and the moment was opportune for him to do so, and why ? Because Sir Charles Tupper had received a letter from Mr. Bayard, then Secretary of State of the United States, offering to give this country a reciprocity treaty. That was a favourable moment for any party in Canada to give to the Canadian people the opportunity of expressing their opinion on the question of reciprocity, and it was at that moment that the Liberal party placed their policy of reciprocity more prominently before the people. But the attempt has been made to fasten upon this party a policy which they have never entertained as a party—the policy of commercial union with the United States. No matter how many

contradictions are made, no matter how often gentlemen who have been charged with having expressed themselves in favour of commercial union deny the charge, back come the old quotations. It seems to be essential to the arguments of hon. gentlemen opposite to misrepresent their opponents, and if possible to place them in an improper light before the country. The hon. gentleman knows—he must know, because he has been in Parliament during the whole time that this discussion has gone on—that never, by any resolution, or by any speech of any of the acknowledged leaders of the Liberal party in this House, has the doctrine of commercial union been put forth as a part of the policy of the Liberal party of Canada. I am surprised that the hon. gentleman should be so persistent in making these charges. Does he not know that the late chieftain of the Conservative party, Sir John Macdonald, was prepared to enter into an arrangement for commercial union with the United States in 1869 ? That is a matter of history. That was perfectly proper, perfectly loyal on his part ; but if any member of the Liberal party, speaking, not for the Liberal party, but for himself, happens to have made an observation that commercial union would be a good thing for this country, then at once the party is charged with disloyalty. I do not think that it lies in the mouth of hon. gentlemen opposite to charge the Liberal party with inconsistency with reference to its policy. But what shall we say of the hon. gentlemen opposite ? I have just told you, that in 1869 the great leader of the Conservtive party of that day was prepared to go to Washington and arrange for a common tariff between the two countries. That is a matter of history. I remember well sitting in this House in 1876, and hearing Sir Charles Tupper, when the hon. member for South Oxford had increased his tariff from 15 to 17½ per cent, in order to meet the obligations which had been left upon this country by hon. gentlemen opposite before they went out of office—I remember well Sir Charles Tupper then charging the hon. member for South Oxford with entering the thin edge of the wedge of protection. And this is the consistent party ! Commercial union in 1869, a charge against the Liberal party of entering the thin edge of protection in 1876—and what happened in 1878 ? Because the hard times which existed all over the world, were acutely felt in Canada, as elsewhere, hon. gentlemen opposite saw an opportunity of taking advantage of their opponents and putting the Government out of power. And, although their financial critic of that day (Sir Charles Tupper) came down with a speech prepared to denounce the Mackenzie Government for increasing the tariff, at the importunate requests of the manufacturers—because he supposed the hon. member for South Oxford (Sir Richard Cartwright) was going to adopt that policy, yet, when he found that the Liberal party remained true to their principles, he turned round and denounced them for not having increased the tariff ; and it was then that the policy of protection was adopted by the hon. gentlemen. But, in adopting that policy, they did so very carefully and gingerly. What was the resolution moved by hon. gentlemen opposite prior to the elections of 1878 ? It was : That this policy, called the National Policy, of imposing higher rates of duties should be adopted—for what purpose ? For the purpose of protection ? Not entirely—but for the purpose of forcing the United States to come to our terms and make a reciprocity treaty with us. They dared not go to the country at that time upon any platform which did not include reciprocity. But they went to the country and carried the election ; and in 1882 they became bolder. But when they came to the Maritime Provinces, even in 1882, we find Sir Charles Tupper telling the people of Prince Edward Island at Charlottetown, knowing how anxious they as well as the other Maritime Provinces were to have reciprocity—"Stick to us and our policy of high tariffs, and in two years, I promise you, you shall have what you want, reciprocity with the United States." The elections of 1887 then came. Their policy still was the National Policy, but in the Maritime Provinces there was a good spice of reciprocity thrown in, for the Government dared not go down there without some promise of reciprocity. And then we come on to the elections of 1891. What happened ? Where was the National Policy then ? The hon. gentlemen came down and told the country, that they had an offer of reciprocity from the United States and wanted a new House, composed of new men, to consider this question. We are a moribund House, they said, and we want a new House to take up this new boon of reciprocity which we will obtain for you. And these are the hon. gentlemen who charge the Liberal party with inconsistency ! If you can find any more sudden turns, any more variegated policy, in the short space of twenty years, I would like to know where. You certainly cannot find it in the record of the Liberal party. Now, I would like, if time permitted, to discuss a little more fully what has happened. I have got up now to the year 1891, and it is just as well that we should refresh our memories as to what happened in that memorable year. We were all more or less taken by surprise at the sudden appeal to the country then. But we were certainly taken more by surprise at the question upon which the appeal was made. Why was that appeal made at that time ? Why, because the gentlemen opposite, wise in their day and generation, saw that the policy which the Liberal party had put forward in 1888 was becoming popular and carrying the country. They saw us and went one better. They said : We will get the start of the Liberals and go to the country ; we will go on reciprocity ; we will take the wind out of their sails. And how did they do it ? They

did it by an outrageous abuse of their authority. They did it by misrepresentation of the grossest kind. They put forward the statement that the United States had made an offer of reciprocity to this country. They said :

Sir John Macdonald's Government not long ago made a definite proposal to the Washington authorities for a settlement of all existing differences between the two countries on a basis of an extension of the trade between the two countries. It involves partial reciprocity, the enumerated articles to include quite a number of natural products, but the proposition discards any idea of commercial union or unrestricted reciprocity. Moreover, these propositions were invited and suggested by the Washington authorities. Commissioners from Canada and Great Britain will start for Washington on 4th March, on the opening of the new Congress. The result of the Canadian elections will be known on 6th March, the day the commissioners reach Washington. In order that this Commission may have no uncertain sound, Sir John Macdonald has decided to appeal to the country and ask for judgment on these proposals of his to the Washington authorities. He does not want the endorsation of a Parliament in its last session, but the freshly expressed opinion of the people of Canada, and for this reason he has advised a dissolution.

But it turned out later on that, instead of the invitation or the suggestion coming from Washington, it came from Ottawa, and that Sir Julian Pauncefote was requested by the Ottawa Government to sound the Administration at Washington, in order to see whether it would be prepared to consider a reciprocity treaty between the United States and this country. And we find, more than that, Sir, that what was agreed to—and it was agreed to on 2nd January, 1891—between Blaine on one side and Sir Julian Pauncefote on the other, was, not that any treaty should be considered, but that Mr. Blaine should receive representatives from the Government at Ottawa, and privately discuss the question of whether a basis could be laid down for an agreement of a reciprocity treaty. And this was the ground upon which the hon. gentleman, as it turned out, went to the country in 1891. But, Sir, we come now to the present time. Is this a change of policy, or is this the same policy ? At any rate we have a very serious departure from the tariff which we have been told here, year in and year out, was simply the acme of perfection. And even now the Minister of Finance spent two hours and a half of the time occupied by his Budget speech in proving the absolute perfection of the National Policy, and then he spent two hours and a half in showing how completely he could tear it to pieces. Now, Sir, to return to some of the observations which the hon. Minister has made in his criticisms of my hon. friend from Prince Edward Island (Mr. Davies). He stated that that hon. gentleman had made a speech in which he had declared that the manufacturers were losing money, and that he made another speech in which he said that they were making large sums of money, and the hon. Minister claimed that these two speeches were inconsistent. I have not read the speech of the hon. gentleman from Prince Edward Island (Mr. Davies), but, so far as I could gather from the remarks of the hon. Minister, it was a speech made in 1885. In that speech, as I understand it, the hon. gentleman stated that there were three stages in the history of manufactures under protection. Beginning under the stimulus of the protective system, there would be enhanced prices and profitable returns. Then came over-production, and then it was that those engaged in these manufactures lost money, and I think there are some hon. gentlemen sitting pretty near the hon. Minister who could testify, if it were necessary, to the truth of the statement made by the hon. gentleman from Prince Edward Island (Mr. Davies). The hon. Minister says that my hon. friend from Prince Edward Island (Mr. Davies) is inconsistent, because he declares in his other speech that the manufacturers were making large sums of money. There is no inconsistency whatever. Why ? Because when the hon. gentleman made the speech in which he said large sums were being made by the cotton and sugar combines, the third stage in the manufacturing industry under protection had been reached. What is that stage ? It is the stage of combinaton of the different members of each industry in the country, and that is the stage that the hon. member from Prince Edward Island (Mr. Davies) was discussing when he said the combines were taking large sums of money out of the pockets of the people. And that is why the Liberal party object to the policy of the Government, because it helps the favoured individuals to combine together, and through that combination to take from the consumers more money for the commodities they supply than those commodities are worth, or, in other words, more than the consumers would have to pay if they were at liberty to buy elsewhere. The hon. Minister took exception to what he was pleased to call the inconsistencies of my hon. friend in what he said with regard to the United States. The hon. Minister declared that my hon. friend had stated in one breath that the United States had been injured by protection, and in the next that the American Union was a great free trade country as between the forty-two or forty-three States of the Union. I do not see any great inconsistency in that. The hon. gentleman (Mr. Davies) says, as he believes, as we all believe, that the protective principle is a vicious one, and is bound to hurt any country that adopts it. But he says that in the United states you have the least possible bad results from a bad policy, because you have within the United States forty-three different countries, as it were, all trading freely together, and containing within their own boundaries every product under the

light of the sun. It seems to me, Mr. Speaker, that that is sound according to logic and facts, and that no exception can be taken to what my hon. friend said on that score. From what the hon. Minister said, one would suppose that the United States had always had a protective tariff. Does not the hon. gentleman know that the United States deliberately adopted a free trade or revenue tariff policy as long ago as 1845, and that the people lived under that tariff until 1861, and, further, that the greatest prosperity that that country has seen was between those two years. What drove the United States to adopt a policy of protection? Was it a desire thereby to build up industries or to tax the masses of the people in order to enrich the few? No, Sir, they had to face the war of the rebellion, and in 1861 they found themselves in debt, they found themselves obliged to raise enormous sums of money to carry on that war, and so they put up this tariff—not for protective purposes, but for the purpose of raising revenue. But we have there an illustration of how difficult it is to extricate a country from the control of the protective system, once that system has been established. Under this policy in the United States great industries grew up, great combines were started, and the power of these combines was so great that, exerted upon the Government of the country, it has forced the United States to continue that policy in operation. The hon. Minister says that protection is lively in the United States yet. Well, Sir, I agree with him. And I quite agree with him that the struggle is not yet by any means over. As I have just said, enormous interests, selfish interests, have been built up in that country which are fighting now for their very life, so that when the Government of the United States endeavours to change that policy, they find arrayel against them millions and hundreds of millions of capital which will be used in every way to thwart their efforts and to thwart the will of people, expressed though it was with no uncertain sound in the last presidential election in 1892. I am not going into the question of the mandate of the people to President Cleveland in 1892 to carry out the policy of tariff reform—that would take too long. But I may make this observation, that in the experience of the United States we are able to see—we Liberals who are charged with everything bad, who are charged with want of admiration for British institutions—an object lesson setting forth the immense superiority of British institutions over those of the United States. Here we have means by which effect can be given almost immediately to the will of the people; there, under their extraordinary system of government, it takes a year, or a year and a half, and almost two years, before effect can be given to the will of the people. You have there a defunct House of Representatives sitting for months and legislating after they have been defeated at the polls. You have there a President actually in authority and carrying on the government of the country, months after the people have declared by an overwhelming majority that they want no more of his policy. However, that is their business, and not ours, and in that peculiar condition of things we find, no doubt, a reason why the policy of the Democratic party meets so many obstacles in being crystalized into law. Now, the hon. gentleman criticised as inconsistent a statement made by the hon. member for Queen's, P.E.I. (Mr Davies), to the effect that there had been prosperity under the National Policy. He said: In one breath he (Mr. Davies, P.E.I.) says there has been prosperity under the National Policy, in another breath he says there is no prosperity. But "ephemereal" was the word the hon. member for Queen's used. He said there had been an ephemereal prosperity, not due to the National Policy, but as a result of the large sums of millions of money that had been spent in this country during the last few years upon public works. That was the statement made by the hon. member for Queen's, and a perfectly true and sound statement it was, one that does not require to be supported by argument. The hon. Minister says that these public works are not done yet. That looks a good deal like a note of warning for a general election. I understood the Minister of Finance to say more than once in this House, that he was about done expending money on public works. I have a speech delivered, I think, by the right hon. the First Minister in Montreal, in which he said there would be no more large expenditures on public works, and that therefore—that was the argument he used—we would be able now to cut down our expenses, and consequently to make certain reductions on the tariff. But the Minister of Marine has no idea of letting public works stop in that cavalier fashion. He always was in favour of public works, and I will say this for him, that he has fought very well for large expenditures in his own province, not always the most judicious, perhaps, but still he has got them. We have seen a short line railway which cost a million dollars, constructed in his county, which was to shorten the distance some forty miles, and after the road was built and the million of dollars spent. we found that the actual shortening was seven miles. However, we are to have more public works. Now, the hon. gentleman said that he did not oppose reciprocity, but he said it very cautiously, and I could not gather from the argument he put forward that he was very strongly in favour of reciprocity. I have no doubt that when the hon. gentleman comes down to conduct the next campaign in the Maritime Provinces, he will say that he is in favour of reciprocity. But I do not judge hon. gentle-

men opposite by their words. They say on the eve of an election that they are in favour of reciprocity, but reciprocity is not in their hearts. When they go to Washington it seems to me that they take special pains to find out what the United States Government will not do, and then they insist upon that. On one occasion Sir Charles Tupper went there, after receiving a letter from Mr. Bayard, in which Mr. Bayard said that an arrangement for reciprocity between these two countries must be a full and a complete one. Subsequently a delegation of Ministers went there, went there in face of an announcement made by Mr. Blaine, made to the world—everybody knew it—that no treaty with Canada would be entered into by the United States which did not include manufactures. But the Government would not accede to any proposal to include manufactures. That policy is carried out now in this very tariff reform which the Minister of Finance has presenetd to this House. What do we find? We find in that an offer of reciprocity in certain natural products, but when it comes to anything like a manufactured article, when it comes to agricultural implements, in respect of which the United States are making an offer of reciprocity to this country, we find the hon. gentlemen turning their faces the other way, and utterly refusing to co-operate with the United States. We may lay it down as their fixed policy that they will not make a treaty with the United States which includes manufactured articles, knowing full well, as they do, and as their old leader, Sir John A. Macdonald, frequently stated in this House, and out of it, that it is impossible to get from the United States a treaty which does not include manufactured articles. Consequently I say it is fair to assume from the hon. gentleman's conduct, no matter what they may say with their lips, that they are opposed to the policy of reciprocity I am sorry that the hon. member for Kent, N.B. (Mr. McInerney), is not in his place, because I think it would be a comfort to him to hear these words of mine. That hon. gentleman spoke some minutes the other night in proving to his satisfaction that this Government had done everything in their power to obtain reciprocity for this country; and then he spent about the same length of time, or more, in proving to his satisfaction that reciprocity would be an unmixed evil to this country. Yet the hon. gentleman has left the Liberal party—or at any rate he is no longer an independent—and he is going to support the Government of hon. gentlemen opposite because they want to do a thing which he has said is the greatest evil that could happen to this country. Sir, I think almost the only article of the tariff to which the hon. Minister refers, is the article of coal oil, and in that he thought he saw an opportunity to make an attack upon the Liberal party. He said that the Liberal party was responsible for the present condition of the coal oil question. Now, Mr. Speaker, let me give you the facts with reference to coal oil. Before 1877 there was a customs duty of 15 cents per gallon and an excise duty on petroleum. In 1877 Mr. Mackenzie reduced the customs duty to 6 cents per gallon, a reduction of 9 cents, and took off the excise duty. At that time the same quality of American oil, which is now imported, was selling at 20 cents per gallon. When this change was made in the interest of the people of Canada, there was a reduction of from 15 cents down to 5, a reduction of from 90 per cent down to 30 per cent upon American coal oil. What is the case to-day? The duty upon the same quality of oil coming into Canada to-day is about 130 per cent, in some cases more, in some cases less, but in no case less than 100 per cent. But how does this operate? It operates with special hardship upon the people of the Maritime Provinces. The people of the Maritime Provinces, let me tell the Minister, if he does not know it, buy and import from the United States two and a half times more oil than the people of Ontario and Quebec per head of the population. For every gallon of coal oil per head of population imported in the provinces of Ontario and Quebec there is imported of American oil by the people of the Maritime Provinces two and one-half gallons, and two and a half times more per capita is paid by the people of the Maritime Provinces into the Treasury on coal oil than is paid by the provinces I have named. Yet the Finance Minister came down last year, and repeated it this year, with a proposition to let coal oil into Canada in tank cars, in order to make it cheaper, but when it came to Nova Scotia and New Brunswick he refused to give them the same benefit by permitting coal oil to be imported in tank steamers. It is no use to allow us to import oil in tank cars, because the distance is so great from the point of production that it costs more than if it is imported in the regular way. But if the hon. gentleman gave us the same fair play as he accords to other provinces of the Dominion, he would permit the importation of coal oil in tank steamers. I think this is a proposal which the Finance Minister might take into his favourable consideration. The Minister of Marine said there is wonderful prosperity in the Maritime Provinces, that there is no place in the world where the people have so much reason to rejoice. But the hon. gentleman failed to state upon what grounds he based that opinion. He does not spend very much of his time in the Maritime Provinces now. No doubt, in his pleasant official chair, everything in the Maritime Provinces wears a roseate hue. The hon. gentleman has had a pleasant time recently; he has been abroad and has reaped honours, no doubt well-earned; but the hon. gentleman has not been in touch lately with the

people of his own province. He does not know just how things are down there. I have never been in the habit of preaching blue ruin; I believe in my country and in my province, and I hold there is not a finer country under heaven than the valley of the Cornwallis and the Annapolis; but in my business relations I cannot shut my eyes to the existing conditions. I tell the Minister of Marine that when he tells the people of the Maritime Provinces that there are no people in the world who have more reason to rejoice, he is stating what is not true, and if he would ascertain for himself from those people their present condition, he would find he had made a serious mistake. I believe there never was a time when the people were more pinched for money—I am speaking of the ordinary centres in the Maritime Provinces.

Sir CHARLES HIBBERT TUPPER. Will the hon. gentleman state where there is a similar population better off than the people of the Maritime Provinces to-day, man for man, all around—a similar population and about the same number of people?

Mr. BORDEN. Comparisons are odious. The hon. gentleman wants to obtain a comparison from me, and he will then cut it out of 'Hansard,' and it will be read to my constituents. I will not be drawn into a trap like that. I have had some experience to-night, and I will endeavour to profit by it. I am not speaking of other countries, but of my own country. There is a want of the circulating medium, the people find it difficult to pay their bills, the farmers do not get the returns they should for their crops, and land values have diminshed in the province. If the hon. gentleman will look at the trade returns he will ascertain that trade has decreased, that the volume of our exports and imports is smaller, or at all events that it has not increased. He will also observe, if he goes back twenty years and compares the condition then with the condition now, that there has been no growth whatever. If the Maritime Provinces are as prosperous as the hon. gentleman states, what about the population? Where are the people? Why have not the people remained there? Why has the population in New Brunswick not increased during the last ten years? Why has the population of Prince Edward Island not increased? Why has the population of Nova Scotia only increased by 10,000 souls? If the condition is such as represented by the Minister of Marine, it is remarkable that the people, who are considered to be rather shrewd—and indeed the hon. Minister has shown it—should have left the province and not returned. They may be doing so in a few instances, owing to the distress in the United States during the winter, but they will return south in the spring. As has been suggested to me, we might make a comparison with the condition now and twenty years ago, and that is a proper comparison to make; and if the hon Minister would consult any one conversant with the condition of affairs twenty or twenty-five years ago, he would undoubtedly be told that at all events, so far as the agricultural interests are concerned, there is not the same prosperity now as there was then, when we had free exchange of commodities with the United States. The hon. Minister talks about people of the Maritime Provinces being happy and contented and in a most fortunate position, when they are taxed for everything they eat, wear and use.

Mr. KENNY. Taxed on their tea.

Mr. BORDEN. They are going to be taxed on their tea, and I know the constituents of the hon. member for Halifax (Mr. Kenny) feel very keenly on that point. They will have to pay 10 per cent duty on their tea imported from Great Britain. Surely, with 125 per cent on coal oil, 75 cents per barrel on flour, 40 cents per barrel on cornmeal and 10 per cent on tea coming from the mother country, there should be sufficient imposts? These are the people who should be the most satisfied people in the world, according to the statement of the Minister of Marine! When the Minister comes down to the Maritime Provinces and discusses this question with the people, I believe they will persuade him that they do not think as he does. I have prepared one or two calculations which I desire to bring before the Minister of Finance and the Controller of Customs, the latter of whom I notice is not in his seat. The Controller of Customs, in order to prove that the present condition of the country was all that could be desired, and that it was fairly prosperous, quoted from a speech delivered by the hon. member for South Oxford (Sir Richard Cartwright) in 1877, in which that hon. gentleman stated: that a very fair test of the prosperity of the country was the extent of the bank note circulation, the extent of the growth of the deposits in the chartered banks, the increase in life insurance, and the increase in the deposits in the savings banks, and the Controller quoted the Budget speech of the member for South Oxford (Sir Richard Cartwright) in 1877, and proceeded to base upon that speech further inference from other calculations. He gave the bank note circulation down to date, from 1879, the period since the inception of the National Policy, he gave the deposits in the chartered banks, the increase in life insurance, but he did not give the increase in the savings bank deposits. I will supply that deficiency for him. Taking the Controller's statement, I find that the bank note circulation under the revenue tariff period, from 1868 to 1877, nine years, increased 100 per cent, or an average increase of 11 per cent a year. I find that under the National Policy protective period, from 1879 to 1894, 15 years, the bank

note circulation increased 75 per cent, or an average of 5 per cent per annum, as against 11 per cent per annum during the revenue tariff period. I find that the deposits in the chartered banks during the 9 years of the revenue tariff period from 1868 to 1877, increased 130 per cent, or 14½ per cent per year, and under the 15 years of the protective policy, from 1879 to 1894, the deposits in the chartered banks increased 165 per cent, or 11 per cent per year, just 3½ per cent less than during the period of the revenue tariff. I find that life insurance increased in volume from 1872 to 1877—the hon. member for South Oxford (Sir Richard Cartwright) did not go back further than 1872, but these are the figures quoted by the Controller of Customs —increased 240 per cent during these 5 years, or an average of 48 per cent per annum, while under the 15 years of the National Policy, from 1879 to 1894, life insurance increased 300 per cent, or 20 per cent per year, less than half the increase under the revenue tariff period. I find that the savings banks deposits increased in the 9 years of revenue tariff from 1868 to 1877, 400 per cent, or 44 and 4-10ths per cent per year; but under the 14 years of the National Policy period, from 1879 to 1893, they only increased 350 per cent, or 25 per cent per annum, as against 44 and 4-10ths per cent per annum under the revenue tariff period. The junior member for St. John (Mr. Hazen) referring to the rate of taxation on the people of this country says that in 1878 it was $4.37 per head, and that in 1892 it was $5.81 per head, an increase, he says, of "only" $1.44 per head, or $7.50 per family per year, and the hon. gentleman seems to think that this is a very trifling increase! Well, Sir, we would not think so very much of that increase were it not for the circumstances attending it. All of the $4.37 per head of taxation in 1878 under a revenue tariff policy, went into the treasury, and it was expended for the benefit of our people; but what happens under the policy of 1892, when the rate of taxation is alleged to be $5.81 per head? We have in the latter year a policy stated to be expressly for the protection of the industries of this country, and which by the admissions of the Finance Minister, now increases the prices of the home products to the consumers. The $5.81 taxation in 1892 does not represent one-half of the tax which is taken out of the pockets of the people under the National Policy. That tax of $5.81 went into the treasury, but what is the amount of the tax that went out of the pockets of the consumers and into the pockets of the gentlemen who are manufacturing for the consumers? It was at least double that amount, so that for every $5 of taxation, which goes into the treasury, $10 are given to enrich manufacturers at the expense of somebody else. That is the protective principle. The Government now propose to adhere to this policy of protection, but they are going to reduce the revenue. The Minister of Finance stated—although he was contradicted by the Minister of Marine—that they were going to reduce the revenue, and therefore they could not afford, and did not intend to proceed with public works. In other words, they proposed to reduce that part of the taxation which goes into the treasury, and which being expended, and coming back to the people in the way of public works, provided it is honestly expended, might do the people some good. But, Mr. Speaker, the Government propose to retain the vicious principle of protection, which takes out of the pockets of the people taxes which no man knows the amount of, and transfers them to the pockets of other people, who are enabled by the system of legislation under which we live, to put their hands into the pockets of their neighbours. This is legislation against the masses of the people and in favour of the classes, legislation which, according to the Minister of Finance, is a policy of development. The Minister of Finance states now that high taxation increases the cost of goods. For years he and his followers have been telling us that high taxation diminished the cost of goods, and we used to ask them sometimes: if that is the case, why not put on the duties still higher, and we will get goods still cheaper? Now, I want to know from these hon. gentlemen when they were right. Were they right last year when all of them said: high taxation reduces the price, and when they compared the cost of articles of to-day with the cost of articles in 1878? They flourished these comparisons triumphantly before the House and the people, saying: Look what the National Policy has done: it has reduced the price of everything you have to consume. And now they go back upon themselves in one short year, and propose to reduce these very taxes which have been so benefiting the people. When were these gentlemen right and when wrong? Are they right now? Then, what arrant humbugs have they been from 1878 down to the present time, in going before the people and telling them that their high taxation policy has had the effect of cheapening goods. Let them take whichever horn of the dilemma they like. But they say the circumstances are changed, changed circumstances are their excuse for reducing this tariff. How have the circumstances changed since last year? Wherein has been this extraordinary change of circumstances by which that which reduced the price of goods last year increases the price of goods this year? I will tell you, Sir, wherein the changed circumstances are; they are in the fact that hon. gentlemen are in danger of being turned out of office. The changed circumstances are in the fact that the people of Canada are getting their eyes opened as a result of the sound knowledge that has been disseminated by the Liberal party throughout this country with reference to

fiscal questions and political economy. The people are learning that taxation does increase the price of goods. They have learned it so effectually that they have instilled it even into the mind of the Finance Minister; and he comes down this year, abandoning all the past professions of his colleagues and his supporters, and puts them in the awkward dilemma of having to say that no longer does taxation lower, but it increases the price of goods. I have shown the hon. gentlemen their changes in policy. They have been in favour of commercial union; they have been in favour of reciprocity; they have been in favour of protection; some of them have been in favour of annexation. They have changed their policy as many times as there are days in the week. But there is one thing in regard to which these hon. gentlemen never change their policy; that is, in their desire to stick to office. They will do anything if they can only find out what the people want. Whichever way the wind is blowing, their sails are always set in that direction. No one could more readily face north by south, which is what they are doing to-day. Their tariff increases the price of goods and their tariff does not increase prices. These hon. gentlemen will do anything in order to maintain themselves in office. But they are a little too late. The people have caught on, and understand that in making these reductions in taxation, these hon. gentlemen are not sincere, and that their motive in making them is simply to endeavour to keep the votes of the people. The Finance Minister put this new tariff forward as a farmers' tariff particularly, and he laboured with a long argument to prove that the farmers have been enormously benefited by the National Policy. In his Budget speech he quoted some figures in the attempt to prove that the National Policy, by excluding animals and their products and agricultural products from this country, and reducing the imports of that class of goods, has materially helped the farmer. These are his words :—

I wish to adduce some figures to show what has been done for the agricultural interests of this country. In 1877, the people of this country consumed, of agricultural products, animals and their products; from Great Britain, $56,588 worth; from the United States, $16,066,963 worth; from other countries, $7,798 worth, making a total of $16,131,349 worth. In 1878 these imports for home consumption amounted to $15,050,930, and in 1879 to $10,420,344. The National Policy did its work, and the result was that the importation of these products fell to $4,240,849 in 1891, to $3,092,452 in 1892, and to $2,741,733 in 1893. In other words, in the three years, 1877, 1878 and 1879, there was an average annual import of these products for consumption of $13,867,541, whereas in the last three years there was an average annual import of the same materials for home consumption of $3,358,344.

Mr. CAMERON. That is the best part of your speech.

Mr. BORDEN. If the hon. gentleman who interrupts me is capable of being convinced, I will endeavour to convince him. I am quite confident of my ability to convince the Finance Minister of the utter and absolute fallaciousness of those figures. I find, in the Trade and Navigation Returns, that the total imports in 1878 were $99,327,962, and the imports for home consumption $96,300,483, leaving, as the amount entered not for home consumption, $3,027,479. I presume that the hon. gentleman based his conclusion upon these figures. But if he had taken the trouble to turn to the exports, he would have found that the total exports for that year were $72,975,988, and the total exports the produce of Canada were $65,864,880, leaving the exports not the produce of Canada at $7,111,108. Now, if the hon. gentleman will deduct from this amount of $7,111,108, the $3,027,479 worth of goods entered and not for home consumption, he will find that he has made an error in the amount entered for home consumption of $4,083,629. If the hon. gentleman will go to the year 1878, he will find, in the same way, that there is an error of $9,282,668. And if he will take the year 1879, he will find that there is an error of $6,732,825. Now, the hon. gentleman has added those three years together and made his calculation; and he says there is an average of $13,867,541 worth of animals and their products and agricultural products imported into Canada in those years, 1877, 1878, and 1879; and he says that he reduced them, by means of the National Policy, in the last three years, 1891, 1892, and 1893, to an average of $3,358,344. That is, he gave to the farmers of Canada a market of $10,500,000. But let us take the figures and look at these errors. I find that the hon. gentleman included in his calculation for the years 1877, 1878, and 1879, $20,097,122 of products which were not the products of Canada, or an average error of $6,699,709 for each of those three years. In order to make it more clear to hon. gentlemen, I submit the following statement :—

1878.

Total imports	$ 99,327,962
Entered for home consumption	96,300,483
Not for home consumption	$ 3,027,479
Total exports	$ 75,875,393
Produce of Canada	68,764,285
Not produce of Canada	$ 7,111,108
Deduct	3,027,479
Error—Entered as for home consumption	$ 4,083,629

1878.

Total imports	$	93,081,787
Entered for home consumption		91,199,577
Not for home consumption	$	1,882,210
Total exports	$	79,323,667
Produce of Canada		68,158,789
Not produce of Canada	$	11,164,878
Deduct		1,882,210
Error—Ent'd for as home con.	$	9,282,658

1879.

Total imports	$	81,964,327
Entered for consumption		80,341,608
Not for home consumption	$	1,622,719
Total exports	$	71,491,255
Produce of Canada		63,135,611
Not produce of Canada	$	8,351,644
Deduct		1,622,719
Error Ent'd as for home con.	$	6,732,925

Error, 1877	$	4,083,629
do 1878		9,282,668
do 1879		6,732,925
Total	$	20,099,222
Average error for 3 years		6,699,740

Now, I challenge the hon. gentleman to verify the figures I have given. And I ask what is to be thought of a gentleman occupying the high position of Minister of Finance, who comes down to Parliament, after carefully preparing his speech, and makes statements of that kind. I do not believe that he made these errors wilfully, but that simply he did not take the trouble of verifying the figures, so anxious was he to come to the conclusion that his National Policy has been productive of this immense advantage to the farmers of Canada. Let us go on a little further. The average error in each of these three years was $6,699,707; and we know that all these goods must have come from the United States. Taking the other side of the account, and looking to the details of the imports, to find where the mistake has arisen, what do we find? Take the year 1878. The imports of wheat in that year amounted to $6,510,131 in value, an amount almost exactly corresponding to the hon. gentleman's error. The wheat which was brought into Canada, handled by Canadian merchants, and exported at Montreal, giving work to our shipping, is included in the reductions the hon. gentleman claims credit for. In shutting out this export of $6,500,000 of wheat which came into Canada and did not enter into competition with Canadian produce at all, he therefore claims that his National Policy gave a market to that extent to our Canadian farmer. I have given $6,699,000 as accounted for out of this $13,800,000, which still leaves about four millions to be accounted for, before I get down to the sum he says he has succeeded in reducing the trade of Canada to in these particular lines—that is $3,358,000. Where do I find the explanation of that? I look up again to 1878 to find the exports and imports of Canada in these articles. I find that Canada exported to the United States barley, beans, and peas to the value of $4,401,104, and brought back, with the money that resulted from their sale, corn and cornmeal to the value of $4,153,281. Now, I think I have reduced the amount down to the point to which the hon. gentleman says the National Policy reduced it. This $6,500,000 worth of wheat, which came in and gave work to the people of Canada and put money in their pockets, this $4,000,000 worth of barley, which was profitably exported to the United States and paid for by the corn and cornmeal which Canadians wanted or they would not have purchased it—that is the profitable trade to the country which he, on this side, and McKinley on the other side, shaking hands together, have succeeded in taking from the Dominion and the United States. But the hon. gentleman is responsible for the larger part. He is responsible for the $6,510,131 worth of wheat which was exported through this country and which, by his policy, he has shut out. The hon. gentleman proposes to protect the farmers. How does he propose to protect them? Is it by making their literature cheaper. Our farmers like to read. In these days there are cheap publications of all the great works, of all the classical works, which have hitherto come into this country at a certain rate of duty. And the hon. gentleman proposes to help to develop the agricultural interests of this country by taxing this literature double what it was taxed before. And so, in this way, everything that the farmer uses is taxed from 20 to 80 per cent, and, as I have already pointed out, his flour, corn, cornmeal, and coal oil are taxed. I have pointed out already the hardships suffered by the people in the Maritime Provinces in these matters. The hon. member for Queen's (Mr. Davies) has pointed out a special grievance with reference to fertilizers. He claims—and I repeat the claim—that the farmers of the Maritime Provinces should have every encouragement possible. The hon. gentlemen might well, therefore, reduce his tariff and make fertilizers free in order to encourage agriculture, which is severely handicapped by the want of profitable markets, and consequently low prices. But the hon. gentleman retains 10 per cent, and the manufacturers as well as the farmers complain of this. And I will tell the hon. gentleman, who seems inclined to treat this matter rather lightly, that both the farmers and the manufacturers complain that he has not put artificial fertilizers on the free list. I have had letters from manufacturers in the Maritime Provinces—which

I would read to the House if time permitted —complaining that while their profit has been reduced by taking off one-half of the protection given them, the duty on the raw materials they use has scarcely been reduced at all. And what do these manufacturers say ? They say : We do not want any protection ; we go with the farmers for free fertilizers, if the Government will give us free sulphuric acid. The duty has been reduced from five-tenths of a cent to four-tenths of a cent, scarcely any reduction at all. Why do not the Government abolish the duty on sulphuric acid ? It is not because they get any revenue from it, for I have looked carefully over the returns and find that the revenue collected last year was a paltry $800. I ask therefore that the hon. gentleman will consider this, because it is an important question. And when the manufacturers of these fertilizers say they are willing to have free trade, in heaven's name let the hon. gentleman come down and give fair play to both the manufacturers and the farmers, by making raw material free. A special reason is suggested here to-day—and that same reason has been suggested to me in letters which I have now in my hand—that there are people behind the Cabinet, and very near the Cabinet, who have an interest in the manufactory at Capleton, and that the Government will not reduce the duty upon sulphuric acid because this manufactory at Capleton is able to make its own acid and to export it. Of course the hon. gentleman is not aware of it, but I would ask him to look into that question and ascertain why the rest of the people of this country should be taxed in order to support a small industry in a remote part of the province of Quebec. Now, Sir, I think I have got pretty well to the end, and I have no doubt that you, and the members of the House are very glad to hear me say so. One word, Sir, in conclusion. Hon. gentlemen opposite have come down now with a definite statement of their policy. They have thrown down the gauntlet and declared that they will fight it out on the question of protection or revenue tariff. We join issue with them and we are happy to have the opportunity of fighting that issue out before the people. Whether they will stick to it, or whether before the elections they will fly some new kite, as they did in 1891, I do not know. But of this I am certain, that if they will stick manfully to what they say now is their fiscal policy, and will go to the people upon that issue, Liberals need have no fear of the result. The people are beginning to understand, Mr. Speaker, what the word "protection" means. The great mass of the consumers have learned from the mouth of the Finance Minister himself, by his own admission, that taxation increases the price of commodities. Then, Sir, protection is taxation ; taxation of the most obnoxious kind. Taxation means increase of the prices of commodities to the masses, the taking of the wealth of the many for the benefit of the few. It means, as we have seen in this country, the building up of monopoly ; it means a blow at the liberty of the subject. And what is the policy on this side of the House ? That policy is revenue tariff, a policy under which not one dollar of money shall be taken from the pockets of the people more than goes into the treasury, not more drawn into the treasury than is necessary to carry on the Government economically and honestly. Mr. Speaker, I have no hesitation, so far as I am concerned, in awaiting the issue when it shall be tried out before the people of this country.